



Minnesota Economic Update

March 14, 2016

Summary

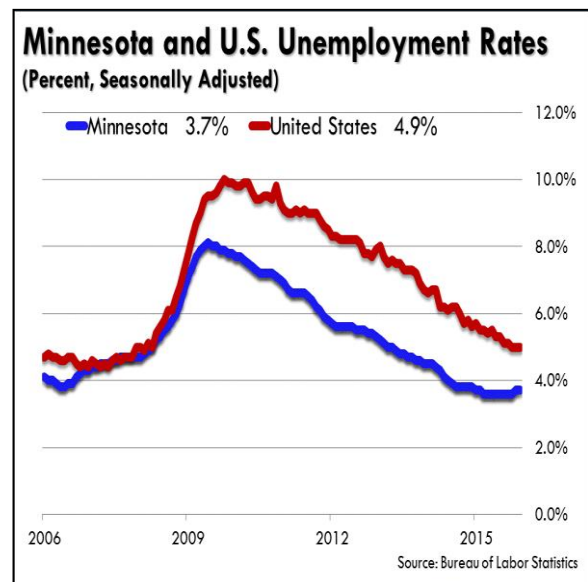
Nonfarm payroll employment in Minnesota declined by 6,800 jobs and the unemployment rate was unchanged at 3.7 percent in January according to data released by the Bureau of Labor Statistics (BLS).

Minnesota Unemployment Rate

During January, the unemployment rate in Minnesota was unchanged at 3.7 percent. The number of people counted as unemployed rose by 157 in January to 111,593, while the labor force grew by 15,614 to 3,037,347. Among the 50 states and the District of Columbia, 9 posted lower unemployment rates for the month than Minnesota. A year earlier, the unemployment rate in Minnesota stood at 3.7 percent.

The 10 year peak for the unemployment rate in Minnesota was 8.1 percent in June 2009. The series high for the unemployment rate in Minnesota occurred in January 1983 when the unemployment rate reached 8.9 percent. The 10 year low for the unemployment rate in Minnesota was 3.6 percent in October 2015. The series low for the unemployment rate in Minnesota occurred in March 1999 when the unemployment rate reached 2.5 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate was unchanged at 4.9 percent in February. February's unemployment rate was 0.6 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2007.



Minnesota Payroll Employment

Minnesota nonfarm payrolls declined by 6,800 jobs, or 0.24 percent, on a seasonally adjusted basis during January. In the prior month, nonfarm payrolls increased by 7,900. Over the past 12 months nonfarm payrolls in Minnesota increased by 31,400, or 1.11 percent. Minnesota nonfarm payroll employment has increased in 10 of the past 12 months.

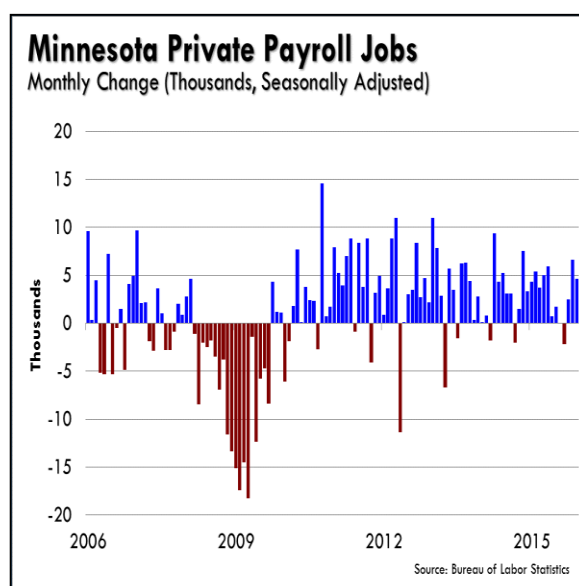
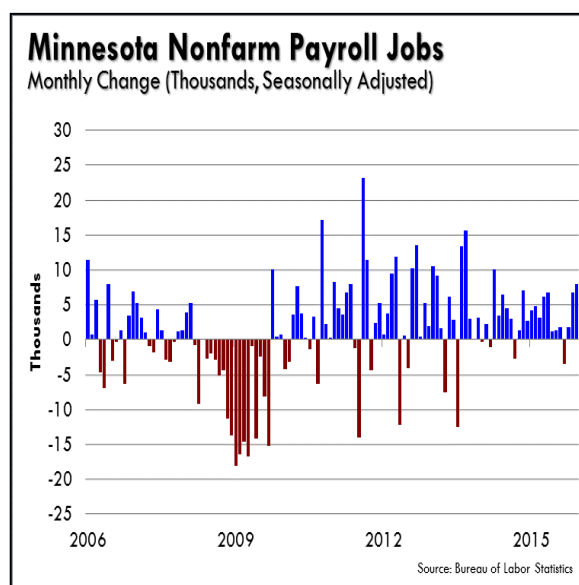
Nationally, nonfarm payrolls increased by 242,000 jobs in February, or 0.17 percent. Over the 12-month period ending February 2016 nonfarm payrolls grew by 2,672,000 jobs, or 1.9 percent. Minnesota ranks 34th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During January, Minnesota private sector payrolls declined by 3,300, or 0.13 percent. Private sector payrolls increased by 4,600 jobs in the prior month. Over the past 12 months, private sector payrolls in Minnesota increased by 30,600, or 1.27 percent. Minnesota private sector payroll employment has increased in 9 of the past 12 months.

Nationally private-sector payroll jobs increased by 230,000 jobs in 1.9, or 0.19 percent. Over the past 12 months, the nation's economy has added 2,597,000 jobs in the private sector, an increase of 2.18 percent.

Minnesota ranks 34th among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During January, total government payroll employment in Minnesota declined by 3,500, or 0.82 percent. Federal government payroll employment declined by 200, or 0.63 percent. State government payroll employment increased by 500, or 0.50 percent, while local government payroll employment declined by 3,800, or 1.30 percent.



Over the past year, total government payroll employment increased by 800, or 0.19 percent. State government payroll employment declined by 1,500, or 1.46 percent. Local government payroll employment increased by 2,300, or 0.80 percent.

The best performing sectors on a seasonally adjusted basis during January were Construction (+2,400) and Educational & Health Services (+2,400). The poorest performing sectors during the month were Total Government (-3,500) and Professional & Business Services (-2,200).

The best performing sectors during the last twelve months were Educational & Health Services (+16,000) and Construction (+6,700). The poorest performing sectors for the year were Information (-1,800) and Professional & Business Services (-1,100).

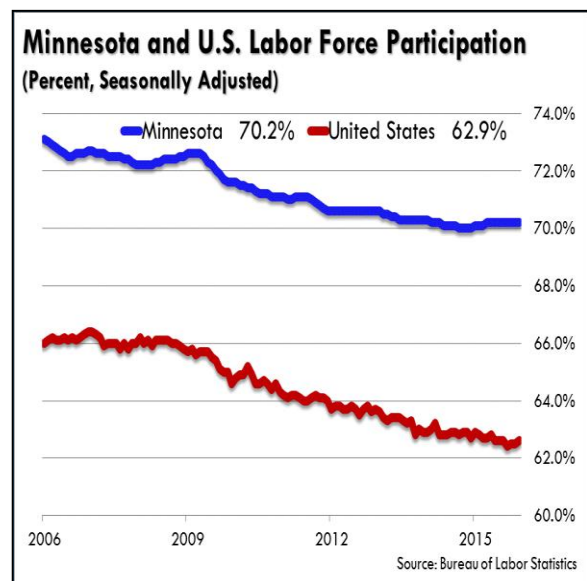
Other Minnesota Labor Force Statistics

The labor force participation rate in Minnesota was unchanged at 70.2 percent in January. At 70.2 percent, Minnesota has the highest labor force participation rate in the nation. The labor force participation rate in Minnesota is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10 year high for the labor force participation rate in Minnesota was 73.1 percent in January 2006. The series high for the labor force participation rate in Minnesota occurred in February 2001 when the labor force participation rate hit 75.6 percent. The 10 year low for the labor force participation rate was 70.0 percent in December 2014. The series low for the labor force participation rate occurred in April 1976 when the labor force participation rate hit 65.5 percent.

The national labor force participation rate rose by 0.2 percentage point to 62.9 percent in February, but remains near its 38-year low of 62.4 percent.

The employment-to-population ratio, or the percentage of the Minnesota civilian noninstitutionalized population 16 years and older counted as employed, rose to 67.9 percent in January from 67.6 percent the prior month. At 67.9 percent, Minnesota has one of the five highest employment-to-population ratios in the nation. The employment-to-population ratio in Minnesota is 0.4 percentage point higher than a year earlier.



The 10 year high for the employment-to-population ratio in Minnesota was 70.0 percent in March 2006. The series high for the employment-to-population ratio in Minnesota occurred in April 2000 when the employment-to-population ratio hit 73.1 percent. The 10 year low for the employment-to-population ratio was 66.0 percent in October 2010. The series low for the employment-to-population ratio occurred in March 1976 when the employment-to-population ratio hit 61.4 percent.

The national employment-to-population ratio rose by 0.2 percentage point to 59.8 percent in February. That rate was 0.5 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for February is scheduled for release on March 25, 2016. The national employment situation report for February was released on Friday, March 4, 2016.

